

Wells Fargo analysts: Don't forget the wildcard that is FirstNet

Fierce Wireless Tech By Monica Allevan

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Analysts at Wells Fargo Securities are reminding investors that the winner of the FirstNet contract will get access to 20 MHz of nationwide 700 MHz spectrum in the upper D block – representing one of the last ways for carriers to get access to new spectrum outside the secondary market.

FirstNet's deadline to submit final RFP proposals is May 31, and bidding for the FCC's reverse auction of 600 MHz airwaves is slated to start the same day.

"The fact that the FirstNet process is happening in parallel with the (600 MHz incentive) auction is somewhat ironic in that both opportunities could increase a carriers' low-band portfolio. Note both T and VZ (AT&T and Verizon) have significantly densified their networks to support 5G, which could put them in an attractive position to satisfy the FirstNet extensive coverage requirements," wrote senior analyst Jennifer Fritzsche and associate analysts Caleb Stein and Eric Luebchow, in a research note.

Both AT&T ([NYSE: T](#)) and Verizon ([NYSE: VZ](#)) already have a solid base layer of low-band spectrum, with Verizon's current network centered around the 22 MHz of 700 MHz upper C block spectrum it purchased in Auction 73. AT&T has 29 MHz of spectrum primarily across the lower B, C and D blocks of the 700 MHz band, the analysts say, noting that a case could be made that more of the carriers' attention will be directed at higher band spectrum or toward recently acquired AWS-3 licenses.

FirstNet has said it plans to make an award by Nov. 1. AT&T has said it views FirstNet as a rare event that it would aggressively pursue. T-Mobile US CTO Neville Ray told analysts during the company's last quarterly conference call that it would probably sit this one out. Some analysts, [including those at Evercore ISI](#), have said they think Verizon's chances are good for partnering with FirstNet.

At an Industry Day event in March, FirstNet CEO Mike Poth said FirstNet represents a unique partnership and noted that the 20 MHz of spectrum, considered beachfront property, which the winning bidder gets access to is considered more valuable than the \$6.5 billion in cash that is

also part of the deal.

Wireless operators are not the only candidates for submitting bids. A smorgasbord of different types of companies, including systems integrators, are expected to be involved given the sheer size of the project. Rivada Networks, for one, has not been shy about letting people know it's interested, saying it can provide the value that FirstNet needs to make the project sustainable.

Rivada says its technologies enable public safety agencies to retain absolute control over their own dedicated broadband networks while generating revenue from unused capacity when available. Rivada's core technology, Dynamic Spectrum Arbitrage Tiered Priority Access (DSATPA), allows public safety to have priority access with instant (millisecond) pre-emption in the event of an emergency situation, guaranteeing first responders access to the bandwidth when they need it most.

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